

REGISTERED NUMBER: 00778293

BRITISH PROPERTY FEDERATION
(Limited by Guarantee)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

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Directors

William Hughes	President ¹
David B Marks	Immediate Past President ²
Christopher M Taylor	Senior Vice President ³
David J R Sleath	Junior Vice President ⁴
Paul A Brundage	Junior Vice President ⁵
Alan J Leibowitz	Honorary Treasurer
Melanie J Leech	Chief Executive
Aubrey J Adams ⁶	
Toby A Courtauld	
Christopher M Grigg	
Anne T Kavanagh	
Jonathan H E Thompson ⁷	
Rebecca J Worthington	

Company Secretary

Andrew D Panting

**Business Address
and Registered Office**

5th Floor
St Albans House
57 – 59 Haymarket
London SW1Y 4QX

Auditors

PKF Littlejohn LLP
Statutory Auditors
1 Westferry Circus
Canary Wharf
London E14 4HD

Company Registration Number 00778293

1 Until 07 July 2015 thereafter Immediate Past President
2 Until 07 July 2015 when he was elected to remain on the Board
3 Until 07 July 2015 thereafter President
4 Until 07 July 2015 thereafter Vice President
5 From 07 July 2015 when he joined the Board
6 Until 07 July 2015 when he left the Board
7 Until 07 July 2015 when he left the Board

Introduction

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2015.

Business of the Federation

The purpose of the Federation is to develop partnerships with the UK and Scottish Governments, and other decision making bodies, so that it can encourage the development of policies and regulations that will enable the industry to grow and thrive.

Review of business and future developments

The Federation's activities included: launching our manifesto for British property ahead of the general election to highlight our sector's value and call for a partnership with government, establishing regional forums and developed our presence outside London, more closely engaging with the devolution debate, launching a new Build to Rent (BTR) sub-committee and an interactive map showing BTR developments around the country, secured a government review of the business rates system and commissioned ground-breaking research on the impact of rates on the industry, successfully negotiated improvements to the Minimum Energy Efficiency Standards regulations, campaigned for an independent pre-pack pool ensuring greater transparency, trust and scrutiny in pre-packs to connected parties and helping Ministers to think innovatively about local plans and encouraging local authorities to produce them.

In Scotland, our Scottish Property Federation campaigned successfully on planning reform with the establishment of a game-changing government supported independent review which included our Chairman within its membership and which is set to lead to a new Planning Bill early in the new Scottish Parliament. In addition SPF led industry voices in raising concerns with residential Land and Building Transaction Tax (LBTT) rates appearing in person before the Parliament's Finance committee on several occasions throughout the year and called for the new tax powers of the Scottish Parliament to be properly scrutinised by an independent Fiscal Commission. The SPF worked with BPF colleagues to secure a better approach to purpose built student accommodation under radical Scottish residential tenancy reforms and argued vociferously for a competitive and open-for-business approach to support the nascent build-to-rent residential sector. Late in the year, the SPF was quick to campaign successfully for an exemption for large scale Private Rental Sector (PRS) investors from the Scottish 3% additional homes LBTT supplement.

For the future, the Federation will work closely with the government to emphasise on the value and importance of the industry to the UK economy, not just in providing the infrastructure necessary for the country's businesses to thrive but increasingly in building new homes for people to live in. The main challenge will be to ensure that the overall tax and regulatory framework for real estate investment remains supportive, particularly in light of the government's constrained fiscal position, which is unlikely to improve in the foreseeable future.

Directors' Indemnity

The Company has provided qualifying third-party indemnities for the benefit of its Directors. These were provided during the year and remain in force at the date of this report.

Results for the year

The results are set out in the income and expenditure account on page 8. The surplus for the year after taxation was £27,648 (2014 – £126,738).

Health and safety

The Board is committed to achieving the highest standards of care in its attention to health, safety and fire prevention. The Board requires safe working practices to ensure that employees, tenants and the general public are not harmed by the Federation's activities. Regular checks are made of office equipment, staff welfare and working practices to ensure that correct standards are maintained, and health and safety specialists undertake an annual inspection of fire prevention equipment.

Membership of the Board

The Federation wishes to thank the Directors for their contribution to its affairs during the year. The Directors serving during the year and up to the date of this report are set out on page 2.

Provision of Information to Auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor:

PKF Littlejohn LLP has expressed its willingness to continue in office. A resolution proposing the reappointment of PKF Littlejohn LLP will be proposed at the next Annual General Meeting.

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

By order of the Board



M J Leech
Chief Executive

5th Floor
St Albans House
57 – 59 Haymarket
London SW1 4QX

7 June 2016

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- * select suitable Accounting Policies and then apply them consistently;
- * make judgments and accounting estimates that are reasonable and prudent; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of the British Property Federation

We have audited the Financial Statements of the British Property Federation for the year ended 31 December 2015 which comprise the Group Income and Expenditure Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2015 and of the Group's result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:


- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Alastair Duke (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

10 June

2016

BRITISH PROPERTY FEDERATION

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2015

	Note	Total 2015	Total 2014
Subscription income		2,227,545	2,123,724
Operating and administrative expenses	5	(2,731,816)	(2,444,153)
Event and other income		426,448	334,783
		<hr/>	<hr/>
Operating (deficit)/surplus		(77,823)	14,354
Interest receivable	7	94,191	101,334
Profit on sale of and movement in value of investments		23,691	13,393
Bank interest and charges payable		(5,291)	(5,254)
		<hr/>	<hr/>
Surplus on ordinary activities before taxation		34,768	123,827
Taxation	8	(7,120)	2,911
		<hr/>	<hr/>
Surplus on ordinary activities after taxation	5	27,648	126,738
Income and Expenditure account			
Balance at beginning of year		2,894,443	2,767,705
		<hr/>	<hr/>
Balance at end of year		£2,922,091	£2,894,443
		<hr/> <hr/>	<hr/> <hr/>

All income and expenditure relates to continuing operations.

The Group has no gains or losses other than those shown above.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The loss for the Company for the year was £84,246 (2014: profit of £58,714).

The notes on pages 13 to 24 form part of these financial statements.

**BRITISH PROPERTY FEDERATION CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2015**

	Note	2015	2014
Surplus for the financial year		27,648	126,738
Total comprehensive income for the year		<u>£27,648</u>	<u>£126,738</u>

The Accounting Policies and Notes on pages 13 to 24 form part of these Financial Statements.

	Note	Group		Company	
		2015	2014	2015	2014
Fixed Assets					
Tangible fixed assets	9	20,015	39,386	-	-
Investments	10	2,915,556	2,418,414	-	-
Investment in group undertaking	19	-	-	100	100
Current Assets					
Debtors	11	318,871	165,032	2,703,819	2,476,956
Investments	12	918,645	987,285	918,645	583,318
Cash at bank and in hand		262,628	605,566	213,417	424,016
		<u>1,500,144</u>	<u>1,757,883</u>	<u>3,835,881</u>	<u>3,484,290</u>
Creditors: amounts falling due within one year	13	<u>(1,473,624)</u>	<u>(1,281,240)</u>	<u>(1,550,328)</u>	<u>(1,114,491)</u>
Net Current Assets		26,520	476,643	2,285,553	2,369,799
Provisions for liabilities	14	<u>(40,000)</u>	<u>(40,000)</u>	-	-
Net Assets		<u>£2,922,091</u>	<u>£2,894,443</u>	<u>£2,285,653</u>	<u>£2,369,899</u>
Members' funds					
Income and Expenditure account		<u>£2,922,091</u>	<u>£2,894,443</u>	<u>£2,285,653</u>	<u>£2,369,899</u>

The financial statements were approved and authorised for issue by the Board of Directors on 7 June 2016 and were signed on its behalf by:

Alan Leibowitz

) 
)
) Directors

Melanie J Leech

) 
)

The Accounting Policies and Notes on pages 13 to 24 form part of these Financial Statements.

BRITISH PROPERTY FEDERATION

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015

	Notes	Group		Company	
		Members' Funds	Total	Members' Funds	Total
Balance as at 1 January 2014		2,767,705	2,767,705	2,311,185	2,311,185
Profit for the year		126,738	126,738	58,714	58,714
Balance as at 31 December 2014		2,894,443	2,894,443	2,369,899	2,369,899
Balance at 1 January 2015		2,894,443	2,894,443	2,369,899	2,369,899
Profit/(Loss) for the year		27,648	27,648	(84,246)	(84,246)
Balance as at 31 December 2015		£2,922,091	£2,922,091	£2,285,653	£2,285,653

BRITISH PROPERTY FEDERATION

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2015

	Note	2015	2014
Cash from Operating Activities		(42,826)	356,095
Taxation paid		(1,756)	(6,780)
		<hr/>	<hr/>
Net cash generated from operating activities		(44,582)	349,315
		<hr/>	<hr/>
Cash flow from investing activities			
Purchase of tangible assets		(180)	(41,326)
Purchase of fixed asset investments		(1,651,741)	(281,073)
Proceeds from disposal of fixed asset investment		1,093,998	407,034
Interest received		6,231	17,937
Dividends received		87,960	83,397
		<hr/>	<hr/>
Net cash from investing activities		(463,732)	185,969
		<hr/>	<hr/>
Cash flow from financing activities			
Interest paid		(5,291)	(5,254)
		<hr/>	<hr/>
Net cash from financing activities		(5,291)	(5,254)
		<hr/>	<hr/>
Net increase/decrease in cash and cash equivalents		(513,605)	530,030
Cash and cash equivalents at the beginning of the year		1,771,357	1,241,327
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		£1,257,752	£1,771,357
		<hr/>	<hr/>
Cash and cash equivalents consists of:			
Cash at bank and in hand		262,628	605,566
Short term deposits (included in current asset investments)		918,645	987,285
Cash held at stockbrokers		76,479	178,506
		<hr/>	<hr/>
Cash and cash equivalents		£1,257,752	£1,771,357
		<hr/>	<hr/>

The Accounting Policies and Notes on pages 13 to 24 form part of these financial statements.

1. General information

British Property Federation ('the Company') and its subsidiary (together "the Group") develop partnerships with the UK and Scottish Governments, and other decision making bodies, so that it can encourage the development of policies and regulations that will enable the industry to grow and thrive.

The Company is a private Company limited by guarantee and is incorporated and domiciled in England. The address of its registered office is 5th Floor, St Albans House, 57 – 59 Haymarket, London, SW1Y 4QX.

2. Statement of compliance

The Group and individual financial statements of British Property Federation have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Details of the transition to FRS 102 are disclosed in note 20.

(a) Basis of Preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

(b) Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;

3. Summary of significant accounting policies (continued)**(d) Basis of consolidation**

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 31 December.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

(e) Tangible Assets

Tangible assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Depreciation and residual values

Depreciation is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	– over the period of the lease
Furniture, fittings and office equipment	– 4 years
Computer equipment	– 3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(ii) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of Group's sales channels have been met, as described below.

(i) Subscription income

Income comprises subscriptions from members which are treated as income in the year to which they relate. Income received in the year relating to future years is credited to deferred income.

3. Summary of significant accounting policies (continued)*(ii) Other operating income*

Other operating income comprises rental income and revenue in providing the Federation's annual conference and other events. Revenue is recognised in the accounting period in which the events are held. Income received in the current year relating to future years is credited to deferred income.

(iii) Interest income

Interest income is recognised using the effective interest rate method.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Annual bonus plan

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(h) Taxation

The current tax charge is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

3. Summary of significant accounting policies (continued)*(j) Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(k) Investments - Company*(i) Investment in subsidiary company*

Investment in the subsidiary company is held at cost less accumulated impairment losses.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(m) Provisions and contingencies*(i) Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

(o) Financial instruments

The Group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(p) Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

5. Operating and administrative expenses

	Group	
	2015	2014
Administration and overheads		
Employment costs (see note 6)	1,543,904	1,420,117
Other employee costs	60,069	129,277
Operating costs	253,525	232,638
Auditors remuneration – audit services	15,600	15,540
Auditors remuneration – tax advisory services	2,450	2,450
Depreciation	19,551	40,948
Premises costs		
Rent – operating lease charge	161,804	115,298
Service charge	56,422	53,666
Business rates	83,127	54,311
Provision for dilapidations	-	17,600
Advocacy and member services		
Consultant, research and information	226,451	84,031
Subscriptions and membership of other bodies	72,275	95,567
Event costs and meetings	221,279	182,080
Website and publications	15,359	-
	<hr/>	<hr/>
	£2,731,816	£2,444,153
	<hr/>	<hr/>

6. Employment costs

Staff costs consist of:

	2015	2014
Wages and salaries	1,230,598	1,137,710
Social security costs	132,078	132,896
Pension contributions	181,228	149,211
Temporary staff and interns	-	300
	<u>£1,543,904</u>	<u>£1,420,117</u>

	2015	2014
Average number of employees during the year (calculated on a monthly basis)	No.	No.
Full time	<u>23</u>	<u>23</u>

The Federation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Federation in independently administered funds.

Directors

The Directors' emoluments were as follows:

	2015	2014
Aggregate emoluments	<u>£248,311</u>	<u>£201,905</u>

One director (2014: one) was a member of a defined contribution schemes.

Highest-Paid Director

Total amount of emoluments (excluding pension contributions)	209,000	195,879
Company pension contributions to money purchase schemes	39,311	6,026
	<u>£248,311</u>	<u>£201,905</u>

Key management compensation

Key management includes the Directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2015	2014
Salaries and other short-term benefits	659,134	588,762
Post-employment benefits	128,240	56,184
Total key management compensation	<u>£787,374</u>	<u>£644,946</u>

7. Net interest expense

(a) Interest receivable and similar income

	2015	2014
Other interest – short term deposits	6,231	17,937
Income from fixed asset investments and dividends	87,960	83,397
	<u>£94,191</u>	<u>£101,334</u>

There was nil interest payable in both years.

8. Taxation

(a) Tax expense included in profit and loss

	2015	2014
Current tax:		
UK Corporation tax on profits for the year	5,364	(2,911)
Adjustment in respect of prior periods	1,756	-
	<u>7,120</u>	<u>(2,911)</u>
Tax on profit on ordinary activities	<u>£7,120</u>	<u>£(2,911)</u>

(b) Reconciliation of tax charge

The tax assessed for the period is lower (2014: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2015 of 20% (2014: 20%). The differences are explained below:

	2015	2014
Profit multiplied by the standard rate of tax in the UK of 20% (2014: 20%)	5,530	24,675
Effects of:		
Income not subject to tax	1,714	(27,683)
Unrecognised deferred tax	-	(193)
Depreciation in excess of capital allowances	2,858	290
Gain on disposal	(4,738)	-
	<u>£5,364</u>	<u>£(2,911)</u>

9. Tangible fixed assets

Group	Computer	Furniture fittings and office equipment	Leasehold improvements	Total
Cost				
At beginning of year	230,050	100,550	112,045	442,647
Additions	-	-	180	180
Cost at end of year	230,050	100,550	112,225	442,827
Depreciation				
At beginning of year	197,907	100,550	104,804	403,261
Provision for year	18,067	-	1,484	19,551
At end of year	215,974	100,500	106,288	422,812
Net Book Value				
At 31 December 2015	£14,078	£ -	£5,937	£20,015
At 31 December 2014	£32,145	£ -	£7,241	£39,386

Company

The Company had no tangible assets at 31 December 2015 (2014: £nil).

10. Investments – fixed assets

	2015	2014
Equity Investments	1,980,612	1,069,155
Fixed rate bonds	858,465	1,170,753
Cash held at stockbrokers	76,479	178,506
Total investments	£2,915,556	£2,418,414

Movements in fixed asset investments during the year were as follows

	2015	2014
As at 1 January	2,418,414	2,408,562
Additions	1,651,741	281,073
Disposals and redemptions	(1,093,988)	(393,641)
Movement in cash held at stockbrokers	(84,302)	103,353
Net gains / (losses) on revaluation	23,691	19,067
As at 31 December	£2,915,556	£2,418,414

11. Debtors

	Group		Company	
	2015	2014	2015	2014
Trade debtors	63,841	49,496	11,317	9,914
Amounts due from subsidiary company	-	-	-	283,578
Loan to subsidiary company	-	-	2,633,005	2,133,005
Prepayments and other debtors	255,030	112,625	59,497	50,459
Corporation tax recoverable	-	2,911	-	-
	<u>£318,871</u>	<u>£165,032</u>	<u>£2,703,819</u>	<u>£2,476,956</u>

The loan to BPF Commercial Limited is unsecured, interest free, has no fixed date of repayment and is repayable upon demand.

12. Current asset investments

	Group		Company	
	2015	2014	2015	2014
Short term deposits	<u>£918,645</u>	<u>£987,285</u>	<u>£918,645</u>	<u>£583,318</u>

13. Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
Trade creditors	264,960	110,038	170,500	61,086
Amounts due to subsidiary	-	-	379,151	-
Other taxation and social security	74,398	66,069	74,398	66,069
Accruals and other creditors	58,448	58,689	3,369	12,712
Deferred income	1,070,454	1,046,444	922,444	974,624
Corporation tax payable	5,364	-	466	-
	<u>£1,473,624</u>	<u>£1,281,240</u>	<u>£1,550,328</u>	<u>£1,114,491</u>

14. Provisions for liabilities

	Group		Company	
	2015	2014	2015	2014
Provision for dilapidations	<u>£40,000</u>	<u>£40,000</u>	<u>£-</u>	<u>£-</u>

As part of the Group's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised in 2019 when the lease terminates.

15. Notes to the statement of cash flows

Reconciliation of profit to net cash inflow from operating activities:

	2015	2014
Profit for the financial year	27,648	126,738
Adjustment for:		
Tax on profit on ordinary activities	7,120	(2,911)
Net interest expense	(94,191)	(101,334)
Bank charges	5,291	5,254
Profit on sale of and movement in value of investments	(23,691)	(13,393)
	<u>£(77,823)</u>	<u>£14,354</u>
	2015	2014
Operating profit	(77,823)	14,354
Depreciation of tangible assets	19,551	40,948
Revaluation of investments	(23,691)	(19,067)
Working capital movements:		
(Increase)/decrease in debtors	(153,839)	40,279
Increase in payables	192,976	279,581
	<u>£(42,826)</u>	<u>£356,095</u>
Cash flow from operating activities		

Analysis of changes in net debt

	At 1 January 2015	Cash flows	Acquired	Non-cash changes	At 31 December 2015
Cash at bank and in hand	605,566	(342,938)	-	-	262,628
Short-term deposits	987,285	(68,640)	-	-	918,645
Cash held at stockbrokers	178,506	(102,027)	-	-	76,479
Total	<u>1,771,357</u>	<u>(513,605)</u>	<u>-</u>	<u>-</u>	<u>1,257,752</u>

Cash held at stockbrokers represents cash held for future investments and is not available for immediate use by the entity.

16. Capital and other commitments**Group**

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2015	2014
Payments due		
Not later than one year and not later than five years	180,481	123,741
Later than one year and not later than five years	499,610	625,131
Later than five years	-	-
	<hr/>	<hr/>
	£624,060	£749,325
	<hr/>	<hr/>

Company

The Company had no capital or other commitments at 31 December 2015 (2014: £nil).

17. Related party transactions

The Company's only related party transactions were with a wholly owned subsidiary and so have not been disclosed.

18. Controlling parties**Group and Company**

The Company is limited by guarantee and has no share capital. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up whilst the member company is a member or within one year of ceasing to be a member.

19. Subsidiaries and related undertakings

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are as follows:

Name	Country of incorporation	Nature of business	Interest
BPF Commercial Limited	UK	Managing events and working capital	100% Ordinary Shares

The above subsidiary is included in the consolidation.

20. Transition to FRS 102

This is the first year that the Group and Company has presented its results under FRS 102. The last financial statements under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014.

There were no adjustments to the Group and Company's balance sheet upon transition to FRS 102 at 1 January 2014 or 31 December 2014.

Other effects of the FRS 102 adoption have been described below.

Rent free period for operating leases

Under previous UK GAAP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives to be spread over the lease period. The Group has taken advantage of the exemption for existing leases at the transition date to continue to recognise these lease incentives on the same basis as previous UK GAAP. Accordingly the FRS 102 accounting policy has been applied to new operating leases entered into since 1 January 2014 which has led to no adjustments.

Statement of cash flows

The Group's cash flow statement reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 1. In addition the cash flow statement reconciles to cash and cash equivalents whereas under previous UK GAAP the cash flow statement reconciled to cash. Cash and cash equivalents are defined in FRS 102 as 'cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value' whereas cash is defined in FRS 1 as 'cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand'. The FRS 1 definition is more restrictive.

